



Date Mailed: August [REDACTED], 2025
Docket No.: 25-016625
Case No.: [REDACTED]
Petitioner: OFFICE OF INSPECTOR
GENERAL (OIG)

[REDACTED]

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এটি একটি গুরুত্বপূর্ণ আইনি ডকুমেন্ট। দয়া করে কেউ
দস্তাবেজ অনুবাদ করুন।

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Ky është një dokument ligjor i rëndësishëm. Ju
litem, kini dikë ta përktheni dokumentin.

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GENERAL (OIG)

HEARING DECISION FOR INTENTIONAL PROGRAM VIOLATION (TRAFFICKING)

The Michigan Department of Health and Human Services (MDHHS or the Department) requested a hearing alleging that Respondent [REDACTED] committed an intentional program violation (IPV) by trafficking Food Assistance Program (FAP) benefits. Pursuant to the Department's request for hearing and MCL 400.9, 7 CFR 273.16 and 7 CFR 273.18, this matter is before the undersigned Administrative Law Judge. After due notice, a hearing was held via telephone conference on August 25, 2025. Patrick Richard, Regulation Agent with the Office of Inspector General (OIG), represented the Department. Respondent did not appear at the hearing, and it was held in Respondent's absence pursuant to 7 CFR 273.16(e)(4).

ISSUES

1. Did the Department establish, by clear and convincing evidence, that Respondent committed an intentional program violation (IPV) by trafficking Food Assistance Program (FAP) benefits?
2. Should Respondent be disqualified from receiving FAP benefits for 12 months?
3. Has the Department established a recipient claim against Respondent for [REDACTED] based on FAP benefits trafficked by Respondent?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. On May 16, 2024, the Department received Respondent's FAP redetermination. Respondent signed the redetermination and acknowledged rights and responsibilities. Exhibit A, pp. 54-58.
2. On June 26, 2024, Respondent completed the FAP interview and was advised of rights and responsibilities. Exhibit A, pp. 59-66.
3. Respondent was issued an electronic benefit transfer (EBT) card ending in [REDACTED] Exhibit A, p. 19.

4. Respondent was issued FAP benefits from April 1, 2024 to March 31, 2025. Exhibit A, p. 67.
5. Respondent's brother was [REDACTED].
6. [REDACTED] was not a member of Respondent's FAP household. Exhibit A, p. 49.
7. [REDACTED] had a Sam's Club membership ending in [REDACTED]. Exhibit A, p. 31.
8. On July 3 and November 3, 2024 and January 3, February 3, March 3, and April 3, 2025, [REDACTED] used Respondent's EBT card at Sam's Club in conjunction with his Sam's Club membership for a total amount of [REDACTED] Exhibit A, p. 18.
9. On May 1, 2025, Respondent admitted to selling her FAP benefits to [REDACTED]. Exhibit A, p. 6.
10. No evidence was presented that Respondent had an apparent physical or mental impairment that would limit the understanding of the restrictions on buying or selling FAP benefits.
11. Respondent has no prior FAP IPV disqualifications.
12. On May 7, 2025, the Department's OIG filed a hearing request alleging that Respondent trafficked FAP benefits from July 1, 2024 to April 30, 2025 (fraud period). The OIG requested that (i) Respondent repay the Department as a recipient claim the value of trafficked benefits totaling [REDACTED] and (ii) Respondent be disqualified from receiving FAP benefit for a period of 12 months due to committing an IPV by trafficking.
13. A notice of hearing was mailed to Respondent at the last known address and was not returned by the United States Postal Services as undeliverable.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), Adult Services Manual (ASM), and Reference Tables Manual (RFT).

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department (formerly known as the Department of Human Services) administers FAP pursuant to MCL 400.10; the Social Welfare Act, MCL 400.1-119b; and Mich Admin Code, R 400.3001 to .3015.

Trafficking/Misuse and IPV Disqualification

The Department alleges that Respondent committed an IPV by trafficking or misuse of FAP benefits and requests that Respondent be disqualified from FAP eligibility. IPV is defined, in part, as having intentionally “committed any act that constitutes a violation of [FAP], [FAP federal] regulations, or any State statute for the purpose of using, presenting, transferring, acquiring, receiving, possessing or trafficking of [FAP] benefits or EBT [electronic benefit transfer] cards.” 7 CFR 273.16(c)(2) and (e)(6). Trafficking includes buying, selling, stealing, or otherwise effecting, or attempting to buy, sell, steal or otherwise effect, “an exchange of [FAP] benefits issued and accessed via [EBT] cards, card numbers and personal identification numbers (PINs), or by manual voucher and signature, *for cash or consideration* other than eligible food, either directly, indirectly, in complicity or collusion with others, or acting alone” 7 CFR 271.2 (emphasis added). Misuse of FAP benefits is the use, presenting, transferring, acquiring, receiving or possessing of FAP benefits or EBT cards that constitutes a violation of any federal or state statute of FAP regulations or program rules for the purpose of administering this program. BAM 720, p. 1; see also 7 CFR 273.16(c)(2).

To establish an IPV by trafficking or misuse, the Department must present clear and convincing evidence that the household member committed, and intended to commit, an intentional program violation. IPV. 7 CFR 273.16(e)(6). Clear and convincing evidence is evidence sufficient to result in a clear and firm belief that the proposition is true. See M Civ JI 8.01; *Smith v Anonymous Joint Enterprise*, 487 Mich 102; 793 NW2d 533, 541 (2010). The clear and convincing standard is “the most demanding standard applied in civil cases.” *In re Martin*, 450 Mich 204, 227; 538 NW2d 399 (1995).

In this case, the Department alleged that Respondent committed an IPV by trafficking FAP benefits when she sold [REDACTED] her FAP benefits in exchange for money.

A review of the transaction documentation established that Respondent’s EBT card was used for purchases at Sam’s Club on July 3 and November 3, 2024 and January 3, February 3, March 3, and April 3, 2025 for a total amount of [REDACTED]. Receipts from the transactions show that [REDACTED] Sam’s Club membership card was used in conjunction with Respondent’s EBT card for these purchases. Store security images show a male using Respondent’s EBT card to make the aforementioned purchases. The security images match [REDACTED] Department of State driver’s license image. Exhibit A, pp. 39-44; 47-48. During the OIG’s interview with Respondent, Respondent admitted she sold her FAP benefits to her brother, [REDACTED] in exchange for approximately [REDACTED]. Respondent’s statements, whether considered an admission by a party-opponent or the statement of an unavailable declarant against the declarant’s pecuniary and proprietary interest, were admissible at the hearing. MRE 801(d)(2); MRE 804(a)(5) and (b)(4). Based on the evidence presented, Respondent sold her FAP benefits to [REDACTED] in exchange for money. Therefore, the Department has presented clear and convincing evidence that Respondent committed an IPV. An individual who is found to have committed an IPV by a hearing decision is disqualified from receiving program benefits.

7 CFR 273.16(b)(i). The Department established that Respondent did not have any prior IPV violations. Accordingly, Respondent is subject to a twelve-month disqualification from the FAP program for a first IPV case. 7 CFR 273.16(b)(1)(i).

Repayment

A party is responsible for a recipient claim to the Department in an amount equal to the value of trafficked or misused benefits. 7 CFR 273.18(a)(ii). The value of the trafficked or misused benefits is determined by (i) the individual's admission; (ii) adjudication; or (iii) the documentation that forms the basis for the determination. 7 CFR 273.18(c)(2). Documentation used to establish the trafficking or misuse determination can include an affidavit from a store owner or sworn testimony from a federal or state investigator of how much a client could have reasonably misused or trafficked in that store, which can be established through circumstantial evidence. BAM 720 (June 2024), p. 3, 6.

Here, the Department seeks repayment from Respondent of [REDACTED] the amount of the trafficked purchases identified at Sam's Club. Respondent admitted to selling her FAP benefits to [REDACTED] in exchange for money. The transaction receipts from Sam's Club reflect total purchases of [REDACTED] on Respondent's EBT card made in conjunction with [REDACTED] Sam's Club membership. Therefore, the Department established that the value of the benefits trafficked by Respondent was [REDACTED]

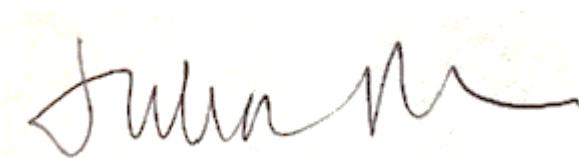
DECISION AND ORDER

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, concludes that:

1. The Department has established by clear and convincing evidence that Respondent committed an IPV.
2. Respondent is subject to a 12-month disqualification from FAP.
3. Respondent is responsible to the Department for a recipient claim of [REDACTED] for trafficked or misused FAP benefits.

IT IS ORDERED that the Department initiate recoupment and/or collection procedures in accordance with Department policy for a FAP recipient claim in the amount of [REDACTED], less any amounts already recouped/collected for the fraud period.

IT IS FURTHER ORDERED that Respondent be personally disqualified from FAP for a period of 12 months.



25-016625

JULIA NORTON
ADMINISTRATIVE LAW JUDGE

APPEAL RIGHTS: Respondent may appeal this Hearing Decision to the circuit court. Rules for appeals to the circuit court can be found in the Michigan Court Rules (MCR), including MCR 7.101 to MCR 7.123, available at the Michigan Courts website at courts.michigan.gov. The Michigan Office of Administrative Hearings and Rules (MOAHR) cannot provide legal advice, but assistance may be available but assistance may be available through the State Bar of Michigan at <https://lrs.michbar.org> or Michigan Legal Help at <https://michiganlegalhelp.org>. A copy of the circuit court appeal should be sent to MOAHR. A circuit court appeal may result in a reversal of the Hearing Decision.

Either party who disagrees with this Hearing Decision may also send a written request for a rehearing and/or reconsideration to MOAHR within 30 days of the mailing date of this Hearing Decision. The request should include Petitioner's name, the docket number from page 1 of this Hearing Decision, an explanation of the specific reasons for the request, and any documents supporting the request. The request should be sent to MOAHR

- by email to MOAHR-BSD-Support@michigan.gov, OR
- by fax at (517) 763-0155, OR
- by mail addressed to
Michigan Office of Administrative Hearings and Rules
Rehearing/Reconsideration Request
P.O. Box 30639
Lansing Michigan 48909-8139

Documents sent via email are not secure and can be faxed or mailed to avoid any potential risks. Requests MOAHR receives more than 30 days from the mailing date of this Hearing Decision may be considered untimely and dismissed.

Via Electronic Mail:

Petitioner

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Via First Class Mail:

Respondent

[REDACTED]